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COUNTRY Theiland/China/Burms SUBJECT

Chinese Nationalist Troops in Kengtung

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- The Chinese Mationalist forces which recently evacuated Thakilek are now at Muang Fong, about ten kilometers from the Thai border town of Nae Sai. They do not yet intend to return to Yunnan.
- The force consists of approximately 2,700 men, equipped with about 3,300 rifles, carbines and machine guns, mainly of American manufacture, plus four guns of unknown type.
- These troops are commanded by Major-General LI Kuo-hui (本文), with Colonel TANG Tsung (反文) as second in command. Lieutenant Colonel Wing I-min (翁基反) is the next ranking officer.
- This force obtains its food supplies by buying from merchants who bring the food from Thailand, augmenting this with whatever vegetables they themselves can raise. A small sum of money for these food purchases has been received from the Chinese Embassy in Bangkok.
- 5. The members of the contingent no longer maintain contact with Sac Khunsuek, the regent of kengtung, who formerly figured in their opium deals and lent them money. Differences between members of the regent's staff and the Chinese officers, regarding these opium deals, caused the rupture in relations between the contracting parties. Najor-General LI Kuo-hui corresponds with Vichien Muangkhot\* in Bangkok, who in July 1950 acted as intermediary for LI Kuo-hui when the latter was negotiating with the French to bring his troops into Indochina. On 18 August, Vichien received a letter from LI Kuo-hui asking him to obtain the sum of five million baht, with which to purchase clothing and supplies, to enable his troops to fight the Viet Minh, and also permit them to increase their numbers with reinforcements from the ranks of the Nationalist guerrillas
- Vichien has replied that he cannot raise the money, and therefore the force had better take no action relative to fighting the Viet Minh.

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